



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

May 9, 1997

In reply refer to: EW-5

Dr. Brian Allee
Columbia Basin Fish and Wildlife Authority
2501 SW First Avenue, Suite 200
Portland, OR 97201-4752

Mr. John Etchart, Chairman
Northwest Power Planning Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204

Gentlemen:

As part of the prioritization process, Bonneville has been asked to submit a statement of its program administration costs for Fiscal Year 1998 and a statement of those projects which it considers to be "non-discretionary." This letter responds to that request.

1. Total program and project support costs: Within the FY1998 budget, the sum of \$7,867,291 should be reserved for our total program and project support costs. Last year we requested that \$8,902,000 be reserved for this purpose. However, much of the decrease is due to costs shifted into other items, such as specific projects, and not necessarily to major reductions in overall costs.

At this time, most of these costs are preliminary estimates, and we are hopeful that we will be able to negotiate further reductions in several of the items. However, these are best estimates available for the budget process at this time. In the event that we are able to achieve reductions, the unexpended funds will be returned to the fish and wildlife program for reallocation to other purposes.

2. Comparison of FY1998 and FY1997 program costs: The budget for the Fish and Wildlife Division itself shows about a 6% increase over last year's budget. It is doubtful that further reductions in staffing levels are possible without creating substantial delays in the processing of projects and the approval of payments. The budget provides for approximately 36 FTE employees within the division.

The largest increase among the program support costs is for agency loading, the overhead charge applied by Bonneville to each of its business lines and other support activities. This charge includes space and telephone charges, personnel services, the activities of the contract and procurement group, and other administrative costs. Agency loading is determined after the end of the fiscal year, based on the actual costs accrued during that fiscal year. At this time, about 18 months before the actual determination of agency loading for FY1998, this is a planning estimate of what those costs might be. We expect to work closely with other groups within BPA to refine this estimate and to reduce the agency loading cost. We will return these savings to the fish and wildlife budget.

Program Support	FY1997 (revised 10/29/96)	FY1998
F&W Division salaries, travel	\$2,658,100	\$2,830,196
In-house contractors	325,100	336,094
Budget, computer, and communications support	<u>540,900</u>	<u>623,367</u>
Sub-total Program Staff	\$3,524,200	\$3,789,657
Legal services	300,000	350,000
Administrative support from EF&W group	224,400	100,200
Communications	60,000	0
Agency loading	<u>2,611,000</u>	<u>3,000,000</u>
Sub-total BPA Overhead	\$3,185,000	\$3,462,200
PROGRAM SUPPORT TOTAL	\$6,709,600	\$7,251,857

3. Project Support Costs: Project support costs are costs such as engineering, construction oversight, real estate appraisals, NEPA reviews, cultural resource assessments, and pollution prevention and abatement. These costs will vary depending on the nature of the projects chosen for funding.

The following project support costs are being budgeted as part of the program and project support budget. As noted below, additional amounts will need to be added to the budgets for particular projects.

Project Support	FY1997(revised 10/29/96)	FY1998
Engineering	\$542,500	\$ 0
Construction	145,000	0
Real Estate	218,800	60,000
NEPA and NHPA	1,274,000	542,434
Pollution prevention and abatement	<u>13,000</u>	<u>13,000</u>
PROJECT SUPPORT TOTAL	2,193,300	615,434
TOTAL PROGRAM AND PROJECT SUPPORT	\$8,902,900	\$7,867,291

In the past it was our practice to use Bonneville's engineering department to design and oversee construction on major capital projects. Beginning in FY1998, with some minor exceptions, this will no longer be the case. Each project involving design or construction will need to include as part of its proposed budget the funds necessary for the hiring of outside design, engineering, and construction oversight services.

For the work required to satisfy the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA), we believe that it will be most cost-effective to retain a small core staff of specialists and hire outside contractors for additional assistance depending on the projects chosen for funding in FY1998. The \$542,434 listed above includes \$461,434 for the core staff, plus \$81,000 for contracted assistance on minor NHPA assessments. Within this base level of funding, we expect to be able to cover the typical NEPA and NHPA assessments on approximately 9 projects within the Wildlife Program EIS, 49 projects within the Watershed Management Program EIS, and 80 projects that fall within the categorical exclusion under NEPA for certain research projects.

However, additional contract work will likely be necessary to cover the NEPA and NHPA work required for certain major projects, particularly those not covered by the existing Program EIS's. Enclosure A to this letter lists estimates of the additional costs for on-going projects for contracted NEPA and NHPA assistance on those particular projects if they are approved for funding in FY1998. These NEPA/NHPA costs should be added to the cost estimates on the project information forms for the respective projects since the project proponents were not asked to include them on the project information form. Cost estimates for NEPA/NHPA analyses on any new project prioritized for funding in FY1998 will similarly need to be included within the total cost estimate for those new projects. The cost estimates for contracted assistance are in addition to the cost of maintaining the core staff of NEPA specialists.

It should be noted that these estimates for NEPA/NHPA costs are intended to be reasonable predictions, but are not firm costs. Depending on the issues involved and the specifics of the proposed action, and the nature of public comment received and issues raised in the course of the assessments, the cost for a particular project can either be much less or much more than the estimates offered here.

The routine cost of real estate appraisals and assistance with processing and recording real estate transactions is expected to be a minor cost. \$60,000 is being budgeted for this purpose. If additional funds are required or extraordinary costs are incurred, they will need to be borne by the project involved or from such unallocated funds as may be available at that time.

Pollution assessments are often required before land is purchased or transferred. The \$13,000 in this budget should be sufficient to cover the cost of several typical assessments. It is not sufficient to cover the cost of major remediation work. If such work is required, Bonneville may decline to purchase or transfer the property, the work may be paid for out of funds remaining in the project budget or from such unallocated funds as may be available at that time.

4. Non-discretionary projects: The following projects are considered "non-discretionary" for FY1998. This means that funding must be provided for these projects because of pre-existing contractual or statutory requirements.

Unless otherwise indicated below, Bonneville's intention is to provide a "reasonable" level of funding for each of these projects. The amount indicated is our best estimate of what this level of

funding would be in FY1998. Comments and recommendations about what constitutes a reasonable level of funding for that particular activity will be considered, but no reductions in these amounts should be assumed in the FY1998 budget unless the reductions are confirmed in writing by us.

<u>Resident Fish</u>		
91-04600	Spokane Tribal Hatchery (Galbraith Springs) O&M	\$ 680,000
91-04700	Sherman Creek Hatchery O&M	185,000
85-03800	Colville Tribal Hatchery O&M	355,000
<u>Wildlife</u>		
93-05800	Washington Coalition Wildlife Mitigation Agreement	\$5,300,000
96-08000	Nez Perce MOA - NE Oregon Wildlife O&M	411,393
<u>Anadromous Fish</u>		
Project 91-05100	Run timing predictions for the Columbia River Basin including individual ESA demes and analysis of tagging data	310,000
Project 89-10700	Epidemiological Survival Method	180,000
Project 96-01900	Second-Tier Database Support for Ecosystem Focus	100,000
Project 93-03701	Technical Assistance with the Life Cycle Model	190,000
Project 96-01700	Technical Support for PATH	110,000
Project 92-03200	Life Cycle Model Development and Application to System and Subbasin Planning In the Snake River Basin	70,000
Project 89-10800	Monitoring and Evaluation Modeling Support (formerly the CRiSP Project)	350,000
Project 97-00200	PATH - UW Technical Support	400,000
Project 97-01000	Transition Project for PIT Tag Detection	3,000,000

Funding for operations and maintenance at the three resident fish hatcheries is considered non-discretionary because of pre-existing contracts requiring reasonable operations and maintenance funding.

The Washington Wildlife Agreement commits Bonneville to specified payments over a period of years. The amount indicated is the payment due this year. For the Northeast Oregon Wildlife Project, the stream of payments for operations and maintenance through FY2001 was an integral part of the agreement and was subject to extensive review at that time. Operations and maintenance expenses after FY2001 will be subject to annual prioritization. The amount indicated above is the payment due in FY1998; the payments for subsequent years are substantially less.

The anadromous fish projects are primarily ESA or ESA-related activities. A number of these activities are required as reasonable and prudent alternatives under the 1995 Biological Opinion. Most of the others are, in our view, required to provide the information and support necessary for the agency to carry out consultations and operations in a manner consistent with the requirements of the Endangered Species Act. A more detailed description of these projects and their FY1997 funding history is included as Enclosure B to this letter.

In preparing this list of non-discretionary projects, we have not attempted to include a full list of those projects that NMFS has determined are required to fulfill in FY1988 various reasonable and prudent alternatives under its 1995 Biological Opinion. We anticipate that, as in past years, NMFS staff will participate actively in the prioritization process and will make known in that process those alternatives that are considered ripe for implementation in that fiscal year.

Thank you for your assistance in selecting the projects for FY1998. Please feel free to call if we can provide any further information.

Sincerely,

D. Robert Lohn
Director, Fish and Wildlife

Enclosures

bcc:

K. Hunt - AR-7

A. Smith - E-4

K. Kirkman - EC-4

C. Roller - ECB-4

T. Clune - EW-5

S. Monohon - EWI-5

B. Austin - EWN-5

K. Beale - EWP-5

Official File - EW (EX-15-18)

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Reviewed:

Auth/Org/Date

Mgr/Org/Date

Sec/Org/Date